

**TOWNSHIP OF CASEVILLE
COUNTY OF HURON
CASEVILLE, MICHIGAN
FINANCIAL REPORT
MARCH 31, 2004**

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name TOWNSHIP OF CASEVILLE	County HURON
Audit Date 03/31/2004	Opinion Date 07/15/2004	Date Accountant Report Submitted to State: 07/15/2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

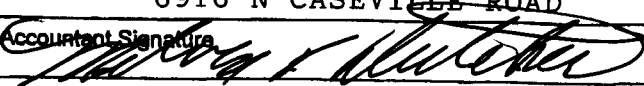
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) MELVIN P DUTCHER CPA			
Street Address 6916 N CASEVILLE ROAD	City CASEVILLE	State MI	ZIP 48725
Accountant Signature 			

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**MELVIN P. DUTCHER
CERTIFIED PUBLIC ACCOUNTANT
6915 N. CASEVILLE ROAD
CASEVILLE, MICHIGAN 48725**

07/15/2004

State Treasurer
Local Audit Division
Treasury Building
Lansing, Michigan 48922

Re: Township of Caseville
Audit as of March 31, 2004

Dear Sir:

This report is being written pursuant to section 7 (2) of the Public Act 2, P.A. of 1968 as amended. I have made an examination of the financial statements of the above mentioned local unit of government. My opinion dated 07/15/2004 with respect to these statements is included in my accountant's report submitted to you under date of July 15, 2004.

In accordance with the foregoing examination, I have complied with the minimum requirements as outlined in "Bulletin for the Audits of Local Units of Government in Michigan" (BUFALUG), as revised.

In accordance with the provisions of P.A. 275 of 1980, as amended, there are no accumulated deficits in the various fund balances of the above local unit, other than as disclosed in the financial statement including the notes thereto, or as described in the report of comments and recommendations. In addition, we found no substantive instances of noncompliance with the provision of P.A. 2 of 1968 (The Uniform Accounting and Budgeting Act) as amended, other than as disclosed in the financial statements including the notes thereto, or as described in the report of comments and recommendations as prescribed by the report guidelines for instances of non-compliance including in appendix B of the BUFALUG MANUAL.

I hereby state and affirm that I am a Certified Public Accountant registered to practice in the State of Michigan and am independent insofar as that term is defined by my profession.

A copy of my report of comments and recommendations, which has been forwarded to the aforementioned local unit of government, is enclosed.

In my report for the above-mentioned period, I have expressed an unqualified opinion with respect to the financial statements contained in this report.

In the last previous report by the local unit's independent Certified Public Accountant which covered the Period April 1, 2002 to March 31, 2003, an unqualified opinion was expressed.

Very truly yours

A handwritten signature in black ink, appearing to read "Melvin P Dutcher", written in a cursive style.

Melvin P Dutcher

**MELVIN P. DUTCHER
CERTIFIED PUBLIC ACCOUNTANT
6915 N. CASEVILLE ROAD
CASEVILLE, MICHIGAN 48725**

07/15/2004

Honorable supervisor and
Members of Township Board
Township of Caseville
Caseville, MI 48725

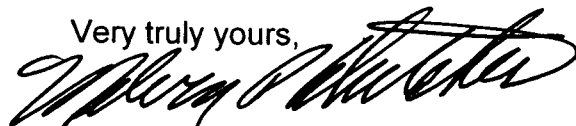
I have examined the combined financial statements of the Township of Caseville, Caseville, MI, and the combined individual fund, and account group financial statements of the Township as of and for the year ended March 31, 2004, as listed in the table of contents. My examination was made in accordance with generally accepted auditing standards and accordingly, included such test of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the combined financial statements referred to above present fairly the financial position of the Township of Caseville, Caseville, MI, at March 31, 2004, and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Also in my opinion, the combining individual fund, and the account group financial statements referred to above present fairly the financial position of the individual funds and account groups of individual proprietary funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

My examination was made for the purpose of forming an opinion on the combined financial statements taken as a whole and on the combining, individual fund, and account group statements. The accompanying financial information listed as supporting schedules in the table of contents is presented for purpose of additional analysis and is not a required part of the combined financial statements of the Township of Caseville, Caseville, MI. The information has been subjected to the auditing procedures applied in the examination of the combined, combining, individual fund, and account groups financial statements and in my opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Very truly yours,



Melvin P. Dutcher

FINANCIAL SECTION

TOWNSHIP OF CASEVILLE
COMBINED BALANCE STATEMENT
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
MARCH 31, 2004

	GOVERNMENTAL FUND TYPES				SPECIAL ASSESSMENTS		PROPRIETARY FUND TYPES ENTERPRISES	TOTAL MEMORANDUM ONLY
	GENERAL	SPECIAL	ROADS	CANAL/CHANNEL DREDGING				
ASSETS								
Cash in bank	\$ 10,804	\$ 869,672	\$ 277,881	\$ 131,104	\$ 1,271,983	\$ 2,561,444		
ACCOUNTS RECEIVABLE								
Taxes	9,236	28,101	4,599	0	31,114	73,050		
Other	74,538	0	0	0	0	74,538		
Interest (Special Assessment)	0	0	0	0	31,016	31,016		
Administration fees & cost	0	0	0	0	14,820	14,820		
Water	0	0	0	0	20,054	20,054		
Tower debt	0	0	0	0	66,825	66,825		
Prepaid expenses	7,857	0	0	0	0	7,857		
Due from other funds	28,617	4,627	5,734	0	10,338	49,316		
RESTRICTED ASSETS:								
Cash in bank - savings & investment	468,240	0	0	0	86,273	554,513		
Special assessments receivable	0	0	154,089	211,822	3,557,675	3,923,586		
FIXED ASSETS								
Land	201,373	0	0	0	0	201,373		
Building & equipment	234,763	8,420	0	0	0	243,183		
Water system	0	0	0	0	9,072,986	9,072,986		
Less accumulated depreciation (note 15)	(234,763)	0	0	0	(681,786)	(916,549)		
Deferred charges - bond issue cost	0	0	0	0	110,844	110,844		
Less amortization of bond issue cost	0	0	0	0	(31,910)	(31,910)		
OTHER ASSETS								
Amount to be provided for retirement of General Long Term Debt	0	0	371,000	0	0	0		
TOTAL ASSETS	\$ 800,665	\$ 910,820	\$ 813,303	\$ 657,926	\$ 13,560,232	\$ 16,742,946		

TOWNSHIP OF CASEVILLE
COMBINED BALANCE SHEET
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
March 31, 2004

	GOVERNMENTAL FUND TYPES		SPECIAL ASSESSMENTS		PROPRIETARY	TOTAL
	GENERAL	SPECIAL	ROADS	CANAL/CHANNEL DREDGING	FUND TYPES ENTERPRISES	MEMORANDUM ONLY
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Accounts payable	\$ 0	\$ 10,634	\$ 0	\$ 0	\$ 6,867	\$ 17,501
Accrued payroll taxes	214	0	0	0	0	214
Due to other funds	1,223	20,410	10,185	150	10,239	42,207
Deferred revenue	0	0	158,687	211,822	3,557,675	3,928,184
Bonds payable	0	0	371,000	315,000	7,115,000	7,801,000
Current portion	0	0	0	0	400,000	400,000
Land contract payable - Kreh	90,803	0	0	0	0	90,803
Accrued bond interest	0	0	0	0	174,019	174,019
TOTAL LIABILITIES	92,240	31,044	539,872	526,972	11,263,800	12,453,928
FUND EQUITY						
Retained earnings:						
Reserved	0	0	0	0	0	0
Unreserved (deficit)	708,425	879,776	273,431	130,954	2,296,432	4,289,018
TOTAL FUND EQUITY	708,425	879,776	273,431	130,954	2,296,432	4,289,018
TOTAL LIABILITIES AND FUND EQUITY	\$ 800,665	\$ 910,820	\$ 813,303	\$ 657,926	\$ 13,560,232	\$ 16,742,946

TOWNSHIP OF CASEVILLE
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
March 31, 2004

	GOVERNMENTAL FUND TYPES		SPECIAL ASSESSMENTS		PROPRIETARY	TOTAL
	GENERAL	SPECIAL	ROADS	CANAL/CHANNEL DREDGING	FUND TYPES ENTERPRISES	MEMORANDUM ONLY
REVENUE						
Operating Revenue:						
Taxes	\$ 168,553	\$ 312,846	\$ 30,851	\$ 48,940	\$ 250,862	\$ 812,052
State grants	124,115	0	0	0	0	124,115
Permits/site plan/inspection	23,853	0	0	0	0	23,853
Charge for services	64,139	21,464	0	0	145,578	231,181
Franchise fee	9,874	0	0	0	0	9,874
Special assessment interest	0	0	8,824	14,977	268,246	292,047
Special assessment revenue	0	0	0	0	475,790	475,790
Interest and penalty	715	0	0	0	4,453	5,168
Interest	2,084	8,316	1,621	579	0	12,600
Delinquent garbage	8,481	0	0	0	0	8,481
Miscellaneous	19,156	35	0	0	127	19,318
TOTAL REVENUE	420,970	342,661	41,296	64,496	1,145,056	2,014,479
OPERATING EXPENSES:						
Legislative	4,059	0	0	0	0	4,059
Executive	27,916	0	0	0	0	27,916
General Service Administrative	206,945	0	0	0	0	206,945
DPW - building and grounds	19,457	0	0	0	0	19,457
Public works	892	284,464	0	0	0	285,356
Recreation	11,958	0	0	0	0	11,958
Planning and zoning	24,025	0	0	0	0	24,025
Special Assessments	0	0	111,867	50,600	0	162,467
Water System	0	0	0	0	0	0
Miscellaneous	35,846	0	0	0	162,068	197,914
Depreciation (Note 15)	0	0	0	0	236,380	236,380
TOTAL OPERATING EXPENSES	331,098	284,464	111,867	50,600	398,448	1,176,477
OTHER FINANCIAL SOURCES (USES)						
Transfers from other funds	0	10,253	0	0	546,529	556,782
Transfers to other funds	(5,000)	0	0	0	(546,528)	(551,528)
Interest income	0	0	0	0	1,817	1,817
Interest expense	(7,571)	0	0	(17,575)	(420,059)	(445,205)
Amortization of Bond Issue Cost	0	0	0	0	(6,362)	(6,362)
Bond proceeds	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	(12,571)	10,253	0	(17,575)	(424,603)	(444,496)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES	77,301	68,450	(70,571)	(3,679)	322,005	393,506
FUND BALANCE - APRIL 1, 2003	631,124	810,725	344,002	134,633	1,974,427	3,894,911
FUND BALANCE - MARCH 31, 2004	\$ 708,425	\$ 879,175	\$ 273,431	\$ 130,954	\$ 2,296,432	\$ 4,288,417

SUPPLEMENTAL DATA

AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

CASEVILLE TOWNSHIP

My examination of Caseville Township for the year ended March 31, 2004, was made primarily for the purpose of formulating an overall opinion of the Township's combined balance sheet at March 31, 2004, and its combined statement of revenue, expenditures and changes in fund equity for the year then ended. The accompanying additional information has been compiled from the accounting applied in the examination of financial statements mentioned above. In my opinion, the supplemental statements presented for the year ended March 31, 2004 are fairly stated in all material respects in relation to the financial statement taken as a whole.

**TOWNSHIP OF CASEVILLE
GENERAL FUND
COMPARATIVE BALANCE SHEET
FOR THE YEARS ENDING MARCH 2003, AND 2004**

ASSETS	March 31, 2004	March 31, 2003
CURRENT ASSETS		
Cash on hand and in bank	\$ 10,804	\$ 25,143
Cash in bank - Investment trust	468,240	393,973
Property taxes receivable	9,236	10,237
Other receivables	18,467	12,939
Due from other funds	28,618	26,618
Prepaid expenses	7,857	10,532
Lein receivable - McIntyre	56,070	56,070
Land	201,373	201,373
Building & equipment	234,763	234,763
Less Depreciation	(234,763)	(234,763)
	<u>-----</u>	<u>-----</u>
Total Assets	\$ 800,665	\$ 736,885
	<u>=====</u>	<u>=====</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Due to other funds	1,223	1,223
Accrued payroll taxes	214	824
Accounts payable	0	5,922
Land Contract payable - Kreh	90,803	97,792
	<u>-----</u>	<u>-----</u>
Total Liabilities	92,240	105,761
FUND EQUITY	708,425	616,154
	<u>-----</u>	<u>-----</u>
PRIOR YEAR ADJ SEE NOTE #10	0	14,970
	<u>-----</u>	<u>-----</u>
Total Liabilities and Fund Equity	\$ 800,665	\$ 736,885
	<u>=====</u>	<u>=====</u>

**TOWNSHIP OF CASEVILLE
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND FUND EQUITY - BUDGET AND ACTUAL
FOR THE YEARS ENDED MARCH 2003, AND 2004**

	PRIOR YEAR ACTUAL	BUDGET 2003-04	ACTUAL 2003-04	VARIANCE FAVORABLE (UNFAVORABLE)
LOCAL SOURCES				
Current property & other taxes	\$ 164,554	\$	\$ 168,553	\$
Penalty/interest on taxes	697		715	
Interest on investments	4,156		2,084	
Bldg permits/site plan/inspection	26,389		23,853	
Miscellaneous	4,707		19,156	
Tax Collection fees	60,303		64,139	
Franchise fees	7,276		9,874	
Transfer from other funds	0		0	
Delinquent garbage	8,236		8,481	
	-----	-----	-----	-----
Total local sources	276,318	253,700	296,855	43,155
STATE SOURCES				
St of Michigan Maint Pymt	0		358	
Sales Tax	131,257		123,757	
	-----	-----	-----	-----
Total State Sources	131,257 0	120,000	124,115	4,115
TOTAL REVENUES	\$ 407,575	\$ 373,700	\$ 420,970	\$ 47,270
	=====	=====	=====	=====

**TOWNSHIP OF CASEVILLE
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND FUND EQUITY - BUDGET AND ACTUAL
FOR THE YEARS ENDED MARCH 2003, AND 2004**

	PRIOR YEAR ACTUAL	BUDGET 2003-04	ACTUAL 2003-04	VARIANCE FAVORABLE (UNFAVORABLE)
TOWNSHIP BOARD				
Salaries	\$ 3,360	\$	\$ 3,465	\$
Travel & lodging	0		0	
Insurance	190		121	
Supplies	8		0	
Education/training	224		150	
FICA expense	76		161	
Pension expense	55		162	
	-----	-----	-----	-----
Total	3,913	4,800	4,059	741
TOWNSHIP SUPERVISOR				
Salaries	20,216		20,755	
Office supplies	210		0	
Operating supplies	64		47	
Travel & lodging	1,267		53	
Insurance	699		866	
Dues	55		50	
Education/Training	800		115	
Miscellaneous	35		0	
Telephone	98		113	
FICA expense	1,478		355	
Pension expense	937		1,836	
Health insurance	1,826		3,726	
	-----	-----	-----	-----
Total	27,685	31,500	27,916	3,584
ELECTIONS				
Salaries	2,296		0	
Office supplies	722		0	
Contracted services	96		166	
Printing/publishing	288		0	
Travel	17		0	
FICA expense	45		0	
	-----	-----	-----	-----
Total	3,464	885	166	719

**TOWNSHIP OF CASEVILLE
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND FUND EQUITY - BUDGET AND ACTUAL
FOR THE YEARS ENDED MARCH 2003, AND 2004**

	PRIOR YEAR ACTUAL	BUDGET 2003-04	ACTUAL 2003-04	VARIANCE FAVORABLE (UNFAVORABLE)
ASSESSOR				
Salaries	\$ 38,000	\$	\$ 33,584	\$
Office supplies	532		9,859	
Computer support	1,000		1,055	
Legal fees	2,442		1,476	
Travel	614		0	
Insurance - Health	10,641		0	
Insurance	1,552		1,861	
Education/training	1,148		800	
Dues/subscriptions	195		0	
Telephone	131		114	
Capital outlay	0		0	
Pension expense	3,228		0	
FICA expense	551		635	
Miscellaneous	0		73	
Lodging/ meals	120		0	
	-----	-----	-----	-----
Total	60,154	68,750	49,457	19,293

CLERK

Salary	20,500		20,500	
Salary - assistant	16,835		17,290	
Office supplies	2,640		1,307	
Legal and audit	5,675		5,511	
Dues/subscriptions	3,532		3,586	
Telephone	2,302		1,970	
Travel/lodging	371		365	
Printing/publishing	1,324		1,631	
Miscellaneous	91		1,817	
Education/training	408		165	
Insurance - Health	19,778		21,922	
Insurance & bond	836		1,653	
Capital outlay	64		1,083	
Pension expense	2,506		4,837	
FICA expense	1,585		1,620	
Computer support	1,656		1,779	
	-----	-----	-----	-----
Total	\$ 80,103	\$ 86,000	\$ 87,036	\$ (1,036)

**TOWNSHIP OF CASEVILLE
GENERAL FUND
COMPARATIVE STATEMENT OF EXPENSITURES - BUDGET AND ACTUAL
FOR YEARS ENDED MARCH 31, 2003 AND 2004**

	PRIOR YEAR ACTUAL	BUDGET 2003-04	ACTUAL 2003-04	VARIANCE FAVORABLE (UNFAVORABLE)
TREASURER				
Salaries	\$ 19,246	\$	\$ 19,750	\$
Salaries - assistant	4,055		8,606	
Office supplies	1,980		4,414	
Travel/lodging	96		254	
Print/publishing	4,314		4,302	
Insurance - Health	3,228		5,233	
Insurance - and bonds	790		1,139	
Education/training	130		140	
Telephone	98		174	
Pension expense	1,956		1,931	
FICA expense	589		945	
Capital outlay	716		628	
Total	37,198	53,600	47,516	6,084
BOARD OF REVIEW				
Salaries	1,275		1,300	
Office supplies	6		205	
Printing/publishing	232		322	
Education/training	55		120	
FICA expense	98		99	
Total	1,666	2,450	2,046	404
TOWNSHIP HALL AND GROUNDS				
Maintenance/copy & postage	0		2,975	
Salaries	1,760		1,716	
FICA expense	178		84	
Telephone	153		0	
Operating supplies	0		1,077	
Contract labor	31		2,200	
Insurance	131		133	
Utilities - Electric	2,041		1,736	
Heat	1,240		1,886	
Water	241		553	
Repairs/maintenance	288		793	
Miscellaneous	3,143		62	
D.P.W. - Wages	482		679	
Equipment rent	290		567	
Insurance	765		238	
Fica expense	0		1,218	
Parking improvement/lease	720		3,540	
Total	\$ 11,463	\$ 20,700	\$ 19,457	\$ 1,243

**TOWNSHIP OF CASEVILLE
GENERAL FUND
COMPARATIVE STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEARS ENDED MARCH 31, 2003 AND 2004**

	PRIOR YEAR ACTUAL	BUDGET 2003-04	ACTUAL 2003-04	VARIANCE FAVORABLE (UNFAVORABLE)
SAFETY COMMITTEE				
Salaries	\$ 300	\$	\$ 300	\$
FICA expense	23		23	
Total	323	750	323	427
BUILDING INSPECTOR				
Inspection fees	15,300		20,700	
Office supplies	1,699		401	
Education/training	675		505	
Insurance	1,126		270	
Dues	360		175	
Legal	0		400	
Travel/lodging	869		349	
FICA expense	965		1,584	
Total	20,994	26,250	24,384	1,866
PUBLIC WORKS				
Drains - public benefits	2,922		892	
Total	2,922	1,375	892	483
MISCELLANEOUS				
Computer- soft/ware-hard/ware	0		4,939	
Cemetery land expense	4,200		294	
Taxes - TIFA/DDA/CANCEL	3,710		8,016	
Ambulance/Historical Soc	10,694		12,694	
Miscellaneous	927		454	
Newsletter	671		1,878	
Bank charges	196		0	
Land contract interest	2,714		7,571	
Total	23,112	36,630	35,846	784
STREET LIGHTING				
Street lights	686		579	0
Total	\$ 686	\$ 1,300	\$ 579	\$ 721

**TOWNSHIP OF CASEVILLE
GENERAL FUND
COMPARATIVE STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEARS ENDED MARCH 31, 2003 AND 2004**

	PRIOR YEAR ACTUAL	BUDGET 2003-04	ACTUAL 2003-04	VARIANCE FAVORABLE (UNFAVORABLE)
PLANNING COMMISSION				
Salaries	\$ 8,255	\$	\$ 9,250	\$
FICA expense	561		476	
Insurance	383		466	
Education	189		0	
Supplies	400		72	
Legal	638		0	
Printing/publishing	863		264	
Miscellaneous	102		15	
Ordinance review	24,790		13,482	
Total	36,181	30,950	24,025	6,925
ZOINING				
Salaries	1,440		2,240	
Printing/publishing	262		436	
Supplies	0		0	
Miscellaneous	0		0	
Insurance	129		67	
Education/training	0		0	
Consultant/legal	0		0	
FICA expense	95		266	
Total	1,926	5,625	3,009	2,616
PARK AND RECREATION				
Park project	4,883		11,958	
Total	4,883	12,300	11,958	342
TRANSFERS TO OTHER FUNDS				
Special Assmt Roads	0		0	
Water Dist #1	0		0	
Cemetery Opr Fund	15,000		5,000	
Total	15,000	20,000	5,000	15,000
PRIOR YEAR ADJUSTMENT (see note #10)				
	14,970			
TOTAL EXPENDITURES	\$ 346,643	\$ 403,865	\$ 343,669	\$ 60,196

**TOWNSHIP OF CASEVILLE
GENERAL FUND
ANALYSIS OF CHANGES IN FUND EQUITY
FOR THE YEAR ENDED MARCH 31, 2004**

FUND EQUITY – beginning of year	\$ 631,124
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PLUS – EXCESS OF REVENUES OVER EXPENDITURES

Revenues	420,970
Expenditures	<u>343,669</u>

Excess Revenues – (expenditures)	77,301
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FUND EQUITY – end of year	\$ 708,425
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TOWNSHIP OF CASEVILLE
COMBINED BALANCE SHEETS - ALL SPECIAL REVENUE FUNDS
MARCH 31, 2004

	GYPSY MOTH	CEMETERY TRUST	CEMETERY OPERATING	POLICE	ROAD FUND	TOTAL
ASSETS						
Cash	187,005	\$ 135,524	\$ 7,079	\$ 361,906	\$ 178,158	\$ 869,672
Receivables - other	0	0	0	0	0	0
Receivables - taxes current & delinquent	3,483	0	0	11,468	13,150	28,101
Due from other funds	0	0	2,114	600	1,913	4,627
Cemetery lots - land	0	0	8,420	0	0	8,420
TOTAL ASSETS	190,488	135,524	17,613	373,974	193,221	910,820
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	0	0	596	10,038	0	10,634
Due to other funds	0	991	5,916	0	13,503	20,410
Accrued payroll taxes	0	0	0	0	0	0
TOTAL LIABILITIES	0	991	6,512	10,038	13,503	31,044
FUND BALANCES	190,488	134,533	11,101	363,936	179,718	879,776
TOTAL LIABILITIES & FUND BALANCE	\$ 190,488	\$ 135,524	\$ 17,613	\$ 373,974	\$ 193,221	\$ 910,820

CASEVILLE TOWNSHIP
COMBINED BALANCE SHEETS
SPECIAL ASSESSMENT FUNDS
March 31, 2004

ASSETS	SAND POINTE	PT CHARITY #1	PT CHARITY #2	SANDY ISLE #1	SUGAR MAPLE	BEACH HEIGHTS	SANDY ISLES #2	HAPPY LANES	HARTSHORN	GAGETOWN	MICHAEL	TOTALS
Cash in bank - checking	1	0	1	0	0	0	1	0	1	1	1	6
MIF - savings	10,931	5,827	8,006	1,942	4,838	7,064	274	1,225	24,789	210,414	2,565	277,875
Receivable - special assessment	0	0	0	0	0	1,548	0	0	1,340	0	1,711	4,599
Current	0	0	0	0	0	0	0	1,369	58,148	21,326	39,599	120,442
deferred	0	0	0	0	0	105	0	96	13,615	4,773	15,058	33,647
interest	0	0	0	0	0	0	0	2,000	84,579	240,421	44,000	371,000
reserved for other funds	150	0	0	0	0	0	5,584	0	0	0	0	5,734
Due to other funds	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	11,082	5,827	8,007	1,942	4,838	8,717	5,859	4,690	182,472	476,935	102,934	813,303

LIABILITIES AND FUND BALANCES

LIABILITIES												
Due to other funds	\$ 0	0	0	0	0	5,584	0	0	4,601	0	0	10,185
Accounts payable - bond	0	0	0	0	0	0	0	2,000	84,579	240,421	44,000	371,000
Deferred revenue	0	0	0	0	0	1,652	0	1,464	73,104	26,099	56,368	158,687
TOTAL LIABILITIES	\$ 0	0	0	0	0	7,236	0	3,464	162,284	266,520	100,368	539,872
FUND BALANCES	11,082	5,827	8,007	1,942	4,838	1,481	5,859	1,226	20,188	210,415	2,566	273,431
TOTAL LIABILITIES AND FUND BALANCE	\$ 11,082	5,827	8,007	1,942	4,838	8,717	5,859	4,690	182,472	476,935	102,934	813,303

**TOWNSHIP OF CASEVILLE
COMBINED BALANCE SHEET
SPECIAL DREDGING ASSESSMENT
March 31, 2004**

	SAND POINT CANAL	SANDY ISLE CHANNEL	TOTALS
	-----	-----	-----
ASSETS			
Cash in bank - ck and MIF	\$ 42,441	\$ 88,663	\$ 131,104
Special Assessment rec'ble			
current	1,319	2,217	3,536
deferred	31,407	144,492	175,899
interest	4,750	27,637	32,387
Reserved for other funds	80,000	235,000	315,000
	-----	-----	-----
Total Assets	\$ 159,917	\$ 498,009	\$ 657,926
	=====	=====	=====
 LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 80,000	\$ 235,000	\$ 315,000
Deferred Revenue	37,476	174,346	211,822
Due to Sand Pte Roads	0	150	150
	-----	-----	-----
Total Liabilities	117,476	\$ 409,496	\$ 526,972
 FUND EQUITY	42,441	88,513	130,954
	-----	-----	-----
Total Liabilities and Fund Equity	\$ 159,917	\$ 498,009	\$ 657,926
	=====	=====	=====

**TOWNSHIP OF CASEVILLE
GYPSY MOTH FUND
COMPARATIVE BALANCE SHEET
FOR THE YEARS ENDING MARCH 31, 2003 AND 2004**

ASSETS	March 31 2004	March 31 2003
CURRENT ASSETS		
Cash in bank	\$ 187,005	\$ 153,230
Taxes receivable	3,483	2,538
	'-----	'-----
 Total Assets	 \$ 190,488 '=====	 \$ 155,768 '=====
 LIABILITIES AND FUND EQUITY		
LIABILITIES	\$	\$ 0
 FUND EQUITY	 190,488	 155,768
	'-----	'-----
Total Liabilities and Fund Equity	\$ 190,488 '=====	\$ 155,768 '=====

**TOWNSHIP OF CASEVILLE
CEMETERY OPERATING FUND
COMPARATIVE BALANCE SHEET
FOR THE YEARS ENDED MARCH 31, 2003 AND 2004**

ASSETS	March 31, 2004	March 31, 2003
CURRENT ASSETS		
Cash in bank	\$ 7,079	\$ 9,525
Due from General Fund	1,123	1,123
Due from Cemetery Care Fund	991	991
Cemetery lots	8,420	8,020
	<hr/>	<hr/>
Total Assets	\$ 17,613	\$ 19,659
	<hr/>	<hr/>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Due to Cemetery Opr Fund	\$ 0	\$ 0
Due to General Fund	5,917	3,917
Accounts Payable	595	4,069
Accrued FICA	0	13
	<hr/>	<hr/>
FUND EQUITY	\$ 11,101	\$ 11,660
	<hr/>	<hr/>
Total Liabilities and Fund Equity	\$ 17,613	\$ 19,659
	<hr/>	<hr/>

**TOWNSHIP OF CASEVILLE
CEMETERY PERPETUAL CARE FUND
COMPARATIVE BALANCE SHEET
FOR THE YEARS ENDED MARCH 31, 2003 AND 2004**

ASSETS	March 31, 2004	March 31, 2003
CURRENT ASSETS		
Cash in bank	\$ 135,524	\$ 129,810
Due from Cemetery Opr Fund	0	0
	<u> </u>	<u> </u>
Total Assets	\$ 135,524	\$ 129,810
	<u> </u>	<u> </u>
 LIABILITIES AND FUND EQUITY		
LIABILITIES		
Due to Cemetery Opr Fund	\$ 991	\$ 991
 FUND EQUITY	 \$ 134,533	 \$ 128,819
	<u> </u>	<u> </u>
 Total Liabilities and Fund Equity	 \$ 135,524	 \$ 129,810
	<u> </u>	<u> </u>

**TOWNSHIP OF CASEVILLE
POLICE FUND
COMPARATIVE BALANCE SHEET
FOR THE YEARS ENDING MARCH 31, 2003 AND 2004**

ASSETS	March 31 2004	March 31 2003
CURRENT ASSETS		
Cash in bank	\$ 10,857	\$ 10,968
Cash in bank - Savings	351,049	334,284
Taxes receivable - current	11,226	9,377
Taxes receivable - delinquent	242	241
	'-----	'-----
 Total Assets	 \$ 373,374 =====	 \$ 354,870 =====
 LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts payable	\$ 10,038	\$ 9,710
	'-----	'-----
FUND EQUITY	363,336	345,160
	'-----	'-----
Total Liabilities and Fund Equity	\$ 373,374 =====	\$ 354,870 =====

**TOWNSHIP OF CASEVILLE
ROAD FUND
COMPARATIVE BALANCE SHEET
FOR THE YEARS ENDING MARCH 31, 2003 AND 2004**

ASSETS	March 31, 2004	March 31, 2003
CURRENT ASSETS		
Cash in Bank	\$ 178,157	\$ 170,813
Taxes receivable - current	12,201	8,346
personal prop	554	555
deliquent	396	496
Accounts receivable-Road Com	0	698
Due from General Fund	1,913	1,913
	'-----	'-----
Total Assets	193,221	182,821
	'=====	'=====
 LIABILITIES AND FUND EQUITY		
LIABILITIES		
Due to General Fund	13,503	13,503
 FUND EQUITY	179,718	169,318
	'-----	'-----
 Total Liabilities and Fund Equity	\$ 193,221	\$ 182,821
	'=====	'=====

**TOWNSHIP OF CASEVILLE
PROPRIETARY FUND
COMPARITIVE BALANCE SHEET
FOR THE FOR THE YEAR ENDING MARCH 31, 2004**

ASSETS	March 31, 2004	March 31, 2003
CURRENT ASSETS		
Cash in bank	\$ 1,271,983	\$ 1,145,820
Accounts Receivable:		
Taxes	31,114	28,806
Interest (Special Assessments)	31,016	29,376
Administration fees	14,820	13,992
Water	20,054	21,293
Tower Debt	66,825	63,242
Other	0	4,390
Due from other funds	10,338	160
Total Current Assets	1,446,150	1,307,079
Other Assets:		
Restricted cash in bank	86,273	45,973
Special Assessment rec'ble	3,557,675	4,064,565
Total Other Assets	3,643,948	4,110,538
FIXED ASSETS		
Water distribution system	8,390,863	8,383,277
Water Plant	553,400	553,400
Equipment	126,182	126,182
Landscaping	2,541	2,541
Bond expense	110,844	110,844
	9,183,830	9,176,244
Less accumulated depreciation	(681,786)	(445,406)
Less accumulated amortization	(31,910)	(25,548)
Net Fixed Assets	8,470,134	8,705,290
TOTAL ASSETS	\$ 13,560,232	\$ 14,122,907
	=====	=====
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES:		
Accounts payable other	\$ 6,867	\$ 18,680
Accrued bond interest	174,019	173,665
Due to other funds	10,239	6,570
Maturing bonds payable	400,000	500,000
Total current liabilities	591,125	698,915
Other liabilities:		
Deferred revenue	3,557,675	4,064,565
Bond payable	7,115,000	7,385,000
Total other liabilities	10,672,675	11,449,565
Total Liabilities	11,263,800	12,148,480
Fund Equity:		
Retained earnings:		
Reserved	0	0
Unreserved (deficit)	2,296,432	1,974,427
Total Fund Equity	2,296,432	1,974,427
TOTAL LIABILITIES AND FUND EQUITY	\$ 13,560,232	\$ 14,122,907
	=====	=====

TOWNSHIP OF CASEVILLE
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
ALL SPECIAL FUNDS
MARCH 31, 2004

	GYPSY MOTH	CEMETERY TRUST	CEMETERY OPERATING	POLICE	ROAD FUND	TOTAL
REVENUE						
Property tax	\$ 34,205	\$ 0	\$ 0	\$ 141,741	\$ 136,900	\$ 312,846
Interest income	955	4,717	15	1,929	700	8,316
Transfers from other funds	0	0	10,253	0	0	10,253
Charge for services	0	6,250	12,703	2,343	168	21,464
Revised taxes	7	0	0	3	25	35
TOTAL REVENUE	35,167	10,967	22,971	146,016	137,793	352,914
OPERATING EXPENSES:						
Miscellaneous	447	0	0	0	127,394	127,841
Public safety	0	0	0	127,840	0	127,840
Cemetery	0	0	0	0	0	0
Transfers to other funds	0	5,253	23,530	0	0	28,783
Capital outlay	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	447	5,253	23,530	127,840	127,394	284,464
EXCESS OF REVENUES (EXPENDITURES)	34,720	5,714	(559)	18,176	10,399	68,450
FUND BALANCE - April 1, 2003	155,768	128,819	11,660	345,160	169,318	810,725
FUND BALANCE - March 31, 2004	\$ 190,488	\$ 134,533	\$ 11,101	\$ 363,336	\$ 179,717	\$ 879,175

CASEVILLE TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
SPECIAL ASSESSMENT FUNDS
March 31, 2004

REVENUE	BEACH												TOTALS
	SAND POINTE	PT CHARITY #1	PT CHARITY #2	SANDY ISLE #1	SUGAR MAPLE	HEIGHTS	SANDY ISLES #2	HAPPY LANES	HARTSHORN	GAGETOWN	MICHAEL		
Interest - savings	\$ 65	34	45	28	26	67	4	10	77	1,262	3	1,621	
Interest - from revenue	0	0	0	0	72	557	142	191	4,701	1,593	1,882	9,138	
Assessment revenue	0	157	789	0	1,153	6,534	2,125	1,389	12,166	3,564	2,690	30,537	
TOTAL REVENUES	\$ 65	191	834	28	1,251	7,158	2,271	1,570	16,944	6,409	4,575	41,286	

EXPENDITURES

Bond fees	0	0	0	0	0	0	0	0	211	339	100		650
Bond payments	0	6,448	8,806	2,850	1,896	10,140	4,860	2,000	11,534	33,467	2,200		84,201
Bond interest	0	133	196	38	13	583	279	241	4,979	20,536	0		26,998
Postage	0	0	0	0	0	0	0	0	0	0	18		18

TOTAL EXPENDITURES	\$ 0	6,581	9,002	2,888	1,909	10,723	5,139	2,241	16,724	54,342	2,318		111,867
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EXCESS OF REVENUES (EXPENDITURES)	65	(6,390)	(8,168)	(2,860)	(658)	(3,565)	(2,868)	(671)	220	(47,933)	2,257		(70,571)
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FUND BALANCE - APRIL 1, 2003	11017	12217	16175	4802	5496	5046	8727	1897	19968	258348	309		344002
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FUND BALANCE - MARCH 31, 2004	11,082	5,827	8,007	1,942	4,838	1,481	5,859	1,226	20,188	210,415	2,566		273,431
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TOWNSHIP OF CASEVILLE
COMBINED STATEMENT OF REVENUE AND EXPENDITURES
SPECIAL DREDGING ASSESSMENT
March 31, 2004

	SAND POINT CANAL	SANDY ISLE CHANNEL	TOTALS
	-----	-----	-----
REVENUES			
Interest - savings	\$ 304	\$ 275	\$ 579
Interest - assessment	1,913	13,064	14,977
Revenue - assessment	7,372	41,568	48,940
	-----	-----	-----
Total Revenues	\$ 9,589	\$ 54,907	\$ 64,496
	=====	=====	=====
 EXPENDITURES			
Bond payment	\$ 15,000	\$ 35,000	\$ 50,000
Bond interest	4,405	13,170	17,575
Bond fees	300	300	600
	-----	-----	-----
Total Expenditures	\$ 19,705	\$ 48,470	\$ 68,175
 EXCESS OF REVENUE (EXPENSE)	-10116	6437	-3679
 FUND BALANCE APRIL 1, 2003	52,557	82,076	134,633
 FUND BALANCE MARCH 31, 2004	\$ 42,441	\$ 88,513	\$ 130,954
	=====	=====	=====

**TOWNSHIP OF CASEVILLE
PROPRIETARY FUND
COMPARITIVE STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEARS ENDED MARCH 31, 2003 AND 2004**

REVENUES	March 31, 2004	March 31, 2003
OPERATING REVENUES:		
Debt retirement taxes	\$ 250,862	\$ 137,550
Water administration	53,694	51,030
Water operating and maintenance	91,884	104,692
Special assessment revenue	475,790	420,213
Special assessment interest	268,246	279,134
Interest and penalties	4,453	200
Miscellaneous	127	180
	<u>1,145,056</u>	<u>992,999</u>
TOTAL REVENUE	1,145,056	992,999
OPERATING EXPENSES:		
Distribution cost	26,086	21,183
Village Administration	30,320	28,205
Water	52,232	49,370
Salaries	21,100	21,975
Other	32,330	24,802
	<u>162,068</u>	<u>145,535</u>
TOTAL OPERATING EXPENSES	162,068	145,535
Operating income - before depreciation	982,988	847,464
Less depreciation	(236,380)	(236,198)
	<u>746,608</u>	<u>611,266</u>
OPERATING INCOME (LOSS)	746,608	611,266
OTHER FINANCIAL SOURCES (USES)		
Transfers from other funds	546,529	937,714
Transfers to other funds	(546,528)	(937,714)
Interest income	1,817	11,743
Interest expense	(420,059)	(601,614)
Amortization of bond issue cost	(6,362)	(6,362)
	<u>(424,603)</u>	<u>(596,233)</u>
TOTAL OTHER FINANCING SOURCES (USES)	(424,603)	(596,233)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES	322,005	15,033
FUND BALANCE - APRIL 1, 2003	1,974,427	1,959,394
	<u>1,974,427</u>	<u>1,959,394</u>
FUND BALANCE - MARCH 31, 2004	\$ 2,296,432	\$ 1,974,427
	<u>2,296,432</u>	<u>1,974,427</u>

**TOWNSHIP OF CASEVILLE
GYPSY MOTH FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND FUND EQUITY - BUDGET AND ACTUAL
FOR THE YEARS ENDED MARCH 31, 2003 AND 2004**

	PRIOR YEAR ACTUAL	BUDGET 2003-04	ACTUAL 2003-04	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:	\$	\$	\$	\$
Current tax collections	33,403		34,205	
Interest	1,791		955	
revised tax	16		7	
	<u> </u>		<u> </u>	<u> </u>
Total Revenues	\$ 35,210	\$ 34,850	\$ 35,167	\$ 317
 EXPENDITURES				
Postage	473		0	
Contract spray	43,740		0	
Taxes - TIFA	734		447	
Taxes - cancellation	9		0	
Miscellaneous	95		0	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	45,051	45000	447	44,553
 EXCESS OF REVENUES (EXPENDITURES)	\$ (9,841)	\$	34,720	\$ (44,236)
	<u> </u>			<u> </u>
 FUND BALANCE				
Beginning of year			155,768	
 FUND BALANCE				
End of year			\$ 190,488	
			<u> </u>	

**TOWNSHIP OF CASEVILLE
CEMETERY OPERATING FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND FUND EQUITY - BUDGET AND ACTUAL
FOR YEARS ENDED MARCH 31, 2003 AND 2004**

	PRIOR YEAR ACTUAL	BUDGET 2003-04	ACTUAL 2003-04	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:	\$	\$	\$	\$
Markers/Foundations	798		1,827	
Grave openings	6,160		6,775	
Sale of lots	1,950		4,100	
Miscellaneous	0		0	
Interest	21		15	
Transfer from Cemetery Care	7,902		5,253	
Transfer from General Fund	15,000		5,000	
Transfer from Road Fund	0		0	
	-----	-----	-----	-----
Total Revenues	\$ 31,831	\$ 34,550	\$ 22,970	\$ (11,580)
EXPENDITURES				
Salaries & Wages	11,000		12,000	
Contr Service-Grave Openings	5,865		6,450	
Foundation Marker	1,073		1,031	
Supplies for care of grounds	653		178	
Maintenance & Repair	1,071		1,112	
Water	340		340	
Electricity	126		109	
Equipment purchased	4,035		0	
Miscellaneous	0		0	
Gas & Oil	336		337	
Insurance	639		445	
Improvements	0		0	
Trash Removal/recycle	443		438	
Travel	63		27	
Pension Plan	849		900	
Payroll taxes	159		132	
Print/Publishing	692		30	
Legal	395		0	
	-----	-----	-----	-----
Total Expenditures	27,739	\$ 31,050	\$ 23,529	\$ (7,521)
EXCESS OF REVENUES (EXPENDITURES)	\$ 4,092	\$	(559)	\$ (19,101)
	=====			=====
FUND BALANCE				
Beginning of year			11,660	
FUND BALANCE				
End of year			\$ 11,101	
			=====	

**TOWNSHIP OF CASEVILLE
CEMETERY PERPETUAL CARE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND FUND EQUITY - BUDGET AND ACTUAL
FOR YEARS ENDED MARCH 31, 2003 AND 2004**

	PRIOR YEAR ACTUAL	BUDGET 2003-04	ACTUAL 2003-04	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:	\$	\$	\$	\$
Perpetual care receipts	3,850		6,250	
Interest on investments	8,224		4,717	
	<u> </u>		<u> </u>	<u> </u>
Total Revenues	\$ 12,074	\$ 10,000	\$ 10,967	\$ 967
 EXPENDITURES				
Transfers to Cem Opr Fund	7,902		5,253	
	<u> </u>		<u> </u>	<u> </u>
Total Expenditures	7,902	6000	5,253	747
 EXCESS OF REVENUES (EXPENDITURES)	\$ 4,172	\$	5,714	\$ 1,714
	<u> </u>			<u> </u>
 FUND BALANCE				
Beginning of year			128,819	
 FUND BALANCE				
End of year			\$ 134,533	
			<u> </u>	

**TOWNSHIP OF CASEVILLE
POLICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND FUND EQUITY - BUDGET AND ACTUAL
FOR YEARS ENDED MARCH 31, 2003 AND 2004**

	PRIOR YEAR ACTUAL	BUDGET 2003-04	ACTUAL 2003-04	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:	\$	\$	\$	\$
Current tax collections	142,641		141,741	
Interest	3,628		1,929	
Fines & Misc	1,460		1,015	
Liquor license rebate	1,320		1,327	
Trans from General Fund	0		0	
Revised taxes	58		3	
	<u> </u>		<u> </u>	<u> </u>
Total Revenues	\$ 149,107	\$ 148,040	\$ 146,015	\$ (2,025)
EXPENDITURES				
Capital outlay	0		0	
Contracted services	107,067		111,277	
Repairs & maintenance	0		0	
Supplies & postage	74		360	
Telephone	203		183	
Dry cleaning	256		98	
County vehicle use	16,032		14,175	
Legal	316		1,146	
Miscellaneous	0		600	
Tax cancellation	31		0	
Print & publishing	138		0	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	124,117	160,750	127,839	32,911
EXCESS OF REVENUES (EXPENDITURES)	\$ 24,990	\$	18,176	\$ 30,886
	<u> </u>			<u> </u>
FUND BALANCE				
Beginning of year			345,160	
FUND BALANCE				
End of year			\$ 363,336	
			<u> </u>	

**TOWNSHIP OF CASEVILLE
ROAD FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND FUND EQUITY - BUDGET AND ACTUAL
FOR THE YEARS ENDED MARCH 31, 2003 AND 2004**

	PRIOR YEAR ACTUAL	BUDGET 2003-04	ACTUAL 2003-04	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:	\$	\$	\$	\$
Current tax collections	133,662		136,900	
Interest	880		700	
miscellaneous	0		169	
revised tax	10		25	
	<u> </u>		<u> </u>	<u> </u>
Total Revenues	\$ 134,552	\$ 133,600	\$ 137,794	\$ 4,194
 EXPENDITURES				
Transfer to other funds	0		0	
Repairs	29,137		125,156	
Miscelleaneous	0		0	
Brush spray	123		448	
Taxes - TIFA DDA	2,945		1,790	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	32,205	143,500	127,394	16,106
 EXCESS OF REVENUES (EXPENDITURES)	\$ 102,347	\$	10,400	\$ (11,912)
	<u> </u>			<u> </u>
 FUND BALANCE				
Beginning of year			169,318	
 FUND BALANCE				
End of year			\$ 179,718	
			<u> </u>	

**TOWNSHIP OF CASEVILLE
COMBINED STATEMENT OF CASH FLOWS
WATER FUND
FOR FISCAL YEAR ENDED MARCH 31, 2004**

Cash flows from operating activities:

Operating income (loss)

Adjustments to reconcile operating income (loss) to net cash provided by operations:	\$	746,608
Depreciation - Amortization		236,380

Increase (decrease) in assets & liabilities

Accounts receivable	493,982
Accounts payable - Bond	(370,000)
Accounts payable - Other	(7,790)

Net cash provided (used) for operating activities	116,192
Deffered Revenue	(506,890)

Cash flows from non-capital financing activities:

Transfers from (to) other funds	0

Net cash provided (used) for non-capital financing activities	0

Cash flows from capital and related financing activities

Interest paid on bonds	(420,059)

Net cash provided (used) for capital and related financing activities	(420,059)

Cash flows from investing activities:

Interest income	1,817
Purchase of assets	(7,586)

Net cash provided (used) for investing activities	(5,769)

Net increase (decrease) in cash and cash equivalents

Cash and cash equivalents, beginning of year	1,191,793
Cash and cash equivalents, end of year	1,358,255
	\$=====

NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF CASEVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ACCOUNTIN FOR CAPITAL EXPENDITURES:

Generally accepted accounting principles applicable to governmental units as promulgated in the American Institute of Certified Public Accountants industry audit guide titles "Audit of State and Local Government Units" provide for differing accounting treatment for capital expenditures dependent upon the category of the funds from which the expenditures are made. In enterprise, intergovernmental service and certain trust funds, capital expenditures are capitalized in the fund and depreciated in all other funds, including the General Fund, capital expenditures are treated in the same manner as other current expenditures in the fund and are then to be capitalized in a "general fixed asset" group of accounts, which is located on page seven.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS:

P.A. 621 of 1978, section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adapted to the (functional) level.

During the year ended March 31, 2003, the Township had expenditures in certain budgetary funds which were in excess of amounts appropriated.

FUND	Total	Amount of	Budget
	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
General	86,000	87,036	(1,036)
Clerk			

RESTRICTED ASSETS

Certain proprietary fund assets are restricted for making principal and interest payments on bonds, making repairs and replacement to the existing water system, or making additions, improvements, enlargements or extensions to the existing water system. These assets are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenant and Michigan law.

TOWNSHIP OF CASEVILLE
NOTES TO FINANCIAL STATEMENTS
'MARCH 31, 2004

NOTE 1 - The General fixed asset Group of Accounts is maintained on a cost basis. Additions and deletions are recorded throughout the year to maintain an accurate listing of assets, and are checked to correspond with ledger transactions.

	<u>TOTALS</u> <u>3/31/2003</u>	<u>ADDITIONS</u> <u>2003-04</u>	<u>DELETIONS</u> <u>2003-04</u>	<u>TOTALS</u> <u>3/31/2004</u>
EQUIPMENT (COST)				
Cemetery	\$ 49,700	\$	\$	49,700
Vault, meeting room & lobby	2,223			2,223
Police	24,363			24,363
Assessor's office	7,388			7,388
Community room	1,603			1,603
Supervisors office	491			491
Clerk & Treasurer's office	27,033	6,326		33,359
Miscellaneous	7,796			7,796
Elections	3,150			3,150
Total Equipment	123,747	6,326	0	130,073
LAND (COST)	201,373			201,373
PARKING LOT	3,054			3,054
BUILDING (COST)	182,025			182,025
Total Land & Buildings	386,452	0	0	386,452
WATER DISTRIBUTION SYSTEM				
Water system	8,383,277	7,586		8,390,863
Water plant	553,400			553,400
Equipment	126,182			126,182
Landscaping	2,541			2,541
Bond issuance expense	110,844			110,844
Total	9,176,244	7,586	0	9,183,830
GRAND TOTAL	9,686,443	13,912	0	9,700,355

NOTE 2 - Property taxes are recorded when taxes are levied. This annual levy was made on December 1, 2003 and is for the year April 1, 2003 thru March 31, 2004

	<u>MILLAGE</u>	<u>TAX LEVY</u>	<u>COLLECTED</u>	<u>UNCOLLECTED</u>
Taxable value of \$174,157,243	.96980	168,877	153,855	15,022
Police Fund	1.00000	142,045	130,819	11,226
Road Fund	.78770	137,163	124,962	12,201
Gypsy Moth	.19690	34,271	31,223	3,048

**TOWNSHIP OF CASEVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(CONTINUED)**

NOTE 3 – DESCRIPTION OF REPORTING ENTITY

Caseville Township is located in Huron County and has a population of approximately 2,000. The Village of Caseville is located within Caseville Township with the remainder being shoreline resort and rural farming. All funds in the Township are controlled by the Township Board and are included in the audit.

NOTE 4 – BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. With this measurement focus, all assets and liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements presented increases (i.e. revenues) and decreases (i.e. expenses) in net total assets.

All proprietary funds and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increase (i.e. revenues) and decrease (i.e. expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other government fund revenues susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, federal and state grants, special assessments, license, interest revenue and charges for services. Fines, permits and sales tax and other state revenues are not susceptible to accrual because generally they are not measurable until received in cash.

**TOWNSHIP OF CASEVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(CONTINUED)**

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

NOTE 5 – BUDGET

The Township adopted their budget on functional level totals, using the modified accrual basis of accounting.

NOTE 6 – BASIS OF PRESENTATION

The financial activities of the Township of Caseville are recorded in separate funds and are categorized as follows:

GENERAL FUND – The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS – Cemetery Fund, Cemetery Care Fund, Road Fund, Police Fund, Gypsy Moth Fund, and Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

ROAD AND CANAL IMPROVEMENT SPECIAL ASSESSMENT BOND FUNDS – Special assessment districts were set up to finance private road and canal improvements.

NOTE 7 – MEMORANDUM ONLY

The 'MEMORANDUM ONLY' total column represents the aggregated total of the various columnar statements by fund types. This total column is not comparable to a consolidation and, therefore, does not present consolidated information.

**TOWNSHIP OF CASEVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(CONTINUED)**

NOTE 8 – CONTINGENT LIABILITIES

The Township has elected to be treated as a reimbursing employer for unemployment compensations purposes. Any unemployment benefits paid to Township employees by the Michigan unemployment fund must be reimbursed by the Township on dollar for dollar basis. The Contingent liability for unemployment benefits is not reflected in the accompanying financial statement. The expenses are recognized at the time the Township becomes liable to the state of Michigan for unemployment paid.

NOTE 9 – BALANCE SHEET CASH AND INTEREST BEARING DEPOSITS

Deposits are carried at cost. Deposits of the Township are at one bank. Act 217, P.A. 1982, authorizes the Township to deposit and invest in the accounts of federally insured bank, insured credit unions, and savings and loan association; bonds and other direct obligations of the United States, or an agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; banker's acceptance of the United States banks; commercial paper rated within the three highest classification but not less than two standard rating services, which mature not more than 270 days after the date of purchase, and which involves no more than 50percent of any one fund; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government of Michigan law prohibits security in the form of collateral, surety bond, or other form for the deposit of public money. An attorney General's opinion states that public funds may not be deposited in financial institutions located in states other than Michigan. The Township deposits are in accordance with statutory authority.

The Governmental Accounting Standards Board statement No. 3 risk disclosures for the Township's cash deposits are as follows:

DEPOSITS	CARRING AMOUNT
Insured	\$ 100,000
Uninsured	3,015,957
Total Deposits	\$3,115,957

**TOWNSHIP OF CASEVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(CONTINUED)**

**NOTE 10 – ADJUSTMENT TO FUND BALANCE AT
MARCH 31, 2003.**

The adjustment was setting up fixed assets and land that was fully depreciated over the years.

Land was recorded at \$14,970 and Building and Equipment was Recorded at \$234,763.

NOTE 11 – LAND CONTRACT AGREEMENT

The Township of Caseville holds a Land Contract with James and Priscilla Kreh for a parcel of land known as Parcel B on North Caseville Road. The purchase price was \$110,000 of which a down payment was made for \$10,000 and monthly payments will be made starting January 01, 2003 in the amount of \$1,213.28. The interest rate is eight (8%) percent per annum. All sums, including interest, shall be paid in full on or before ten (10) years from the date of the signed Land Contract.

**TOWNSHIP OF CASEVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING MARCH 31, 2004
(CONTINUED)**

NOTE 12 - AMORTIZATION SCHEDULE FOR WATER DISTRICT #1

Improvement bonds for District #1 water lines and hookup. This is to be collected on the Tax Roll.

FISCAL YEAR ENDING	PRINCIPAL DUE MAY 1ST	INTEREST DUE MAY 1ST	INTEREST DUE NOV 1ST	FISCAL TOTAL
2,004	200,000	81,950	77,250	3,000,000
2,005	200,000	77,250	72,450	2,800,000
2,006	200,000	72,450	67,600	2,600,000
2,007	200,000	67,600	62,700	2,400,000
2,008	200,000	62,700	57,750	2,200,000
2,009	200,000	57,750	52,500	2,000,000
2,010	200,000	52,500	47,250	1,800,000
2,011	200,000	47,250	42,000	1,600,000
2,012	200,000	42,000	36,750	1,400,000
2,013	200,000	36,750	31,500	1,200,000
2,014	200,000	31,500	26,250	1,000,000
2,015	200,000	26,250	21,000	800,000
2,016	200,000	21,000	15,750	600,000
2,017	200,000	15,750	10,500	400,000
2,018	200,000	10,500	5,250	200,000
2,019	200,000	5,250	0	0
TOTALS	3,200,000	708,450	626,500	

**TOWNSHIP OF CASEVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING MARCH 31, 2004
(CONTINUED)**

NOTE 13 - AMORTIZATION SCHEDULE FOR WATER DISTRICT #2

Improvement bonds for District #1 water lines and hookup. This is to be collected on the Tax Roll.

FISCAL YEAR ENDING	PRINCIPAL DUE MAY 1ST	INTEREST DUE MAY 1ST	INTEREST DUE NOV 1ST	FISCAL TOTAL
2004	15,000	8,775	8,400	315,000
2005	15,000	8,400	8,025	300,000
2006	20,000	8,025	7,525	280,000
2007	20,000	7,525	7,025	260,000
2008	20,000	7,025	6,520	240,000
2009	20,000	6,520	6,010	220,000
2010	20,000	6,010	5,495	200,000
2011	20,000	5,495	4,975	180,000
2012	20,000	4,975	4,450	150,000
2013	20,000	4,450	3,920	140,000
2014	20,000	3,920	3,380	120,000
2015	20,000	3,380	2,830	100,000
2016	20,000	2,830	2,270	80,000
2017	20,000	2,270	1,710	60,000
2018	20,000	1,710	1,145	40,000
2019	20,000	1,145	575	20,000
2020	20,000	575	0	0
TOTALS	330,000	83,030	74,255	

**TOWNSHIP OF CASEVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING MARCH 31, 2004
(CONTINUED)**

NOTE 14 - AMORTIZATION SCHEDULE FOR THE WATER TOWER EXPANSION PROJECT

To be collected from water bills over the next twenty years.

FISCAL YEAR ENDING	PRINCIPAL DUE MAY 1ST	INTEREST DUE MAY 1ST	INTEREST DUE NOV 1ST	FISCAL TOTAL
2004	175,000	103,891	99,603	3,000,000
2005	200,000	99,603	94,603	2,800,000
2006	200,000	94,603	89,503	2,600,000
2007	200,000	89,503	84,303	2,400,000
2008	200,000	84,303	79,003	2,200,000
2009	200,000	79,003	73,603	2,000,000
2010	200,000	73,603	68,103	1,800,000
2011	200,000	68,103	62,503	1,600,000
2012	200,000	62,503	56,803	1,400,000
2013	225,000	56,803	50,278	1,200,000
2014	225,000	50,278	43,641	1,000,000
2015	225,000	43,641	36,750	800,000
2016	300,000	36,750	27,563	600,000
2017	300,000	27,563	18,375	400,000
2018	300,000	18,375	9,188	200,000
2019	300,000	9,188	0	0
TOTALS	3,650,000	997,713	893,822	

**TOWNSHIP OF CASEVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(CONTINUED)**

NOTE 15 – FIXED ASSETS (PROPRIETARY FUNDS)

Fixed assets are stated at cost. Depreciation of all exhaustible fixed assets used by the proprietary fund is charges as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet. Depreciation has been provided over the useful lives of the respective classes of assets using the straight-line method. The estimated useful lives are a follows:

Buildings	30 years
Land Improvements	10-15 years
Machinery and equipment	5 – 50 years

NOTE 16 – BASIS OF PRESENTATION

Proprietary Fund: Enterprise Fund – The financial activities of the Caseville Township water system is recorded in one fund categorized as an Enterprise Fund. Enterprise Funds are of the Proprietary Fund Type and are used to account for operations

- (a) That are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or
- (b) Where the governing body has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**TOWNSHIP OF CASEVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING MARCH 31, 2004
(CONTINUED)**

NOTE 17 - AMORTIZATION SCHEDULE FOR WATER DIST #3

To be collected on the Tax Roll.

FISCAL YEAR ENDING	PRINCIPAL DUE MAY 1ST	INTEREST DUE MAY 1ST	INTEREST DUE NOV 1ST	FISCAL TOTAL
2004	10,000.00	8,137.50	7,900.00	325,000.00
2005	15,000.00	7,900.00	7,543.75	310,000.00
2006	20,000.00	7,543.75	7,068.75	290,000.00
2007	20,000.00	7,068.75	6,593.75	270,000.00
2008	20,000.00	6,593.75	6,118.75	250,000.00
2009	20,000.00	6,118.75	5,643.75	230,000.00
2010	20,000.00	5,643.75	5,168.75	210,000.00
2011	20,000.00	5,168.75	4,693.75	190,000.00
2012	20,000.00	4,693.75	4,218.75	170,000.00
2013	20,000.00	4,218.75	3,743.75	150,000.00
2014	20,000.00	3,743.75	3,268.75	130,000.00
2015	20,000.00	3,268.75	2,788.75	110,000.00
2016	20,000.00	2,788.75	2,298.75	90,000.00
2017	15,000.00	2,298.75	1,923.75	75,000.00
2018	15,000.00	1,923.75	1,545.00	60,000.00
2019	20,000.00	1,545.00	1,035.00	40,000.00
2020	20,000.00	1,035.00	520.00	20,000.00
2021	20,000.00	520.00	0.00	0.00
TOTALS	335,000.00	80,211.25	72,073.75	

**MELVIN P. DUTCHER
CERTIFIED PUBLIC ACCOUNTANT
6915 N. CASEVILLE ROAD
CASEVILLE, MICHIGAN 48725**

07/15/2004

Honorable Supervisor and
Members of Township Board
Township of Caseville
Caseville, MI 48725

Gentlemen:

I have recently concluded my examination of the accounting records of the Township of Caseville for the year ended March 31, 2004. In connection with that examination, I wish to make the following comments and recommendations.

GENERAL FIXED ASSET GROUP OF ACCOUNTS

Generally accepted accounting principles require that a general fixed asset group of accounts be maintained by all governmental units. I was pleased to see that the Township has a list on file, and that it was reviewed before the audit.

INVESTMENTS

I was pleased to see that the Township invested excess money into savings resulting in a total of \$ 17,132 interest income for all funds combined.

BUDGET

P.A. 621 of 1978, section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the township for these budgetary funds were adapted to the (functional) level.

RECOMMENDATIONS

It is my recommendation that the clerk reconciles the monthly bank statements to the general ledger, examining cancelled checks returned with statement. The clerk should examine date, payee, amounts and endorsement. The clerk and treasurer should follow up on any checks not cleared in an appropriate time frame. Also the clerk and treasurer should reconcile the general ledger to the treasurer's cash control journal.

We noted that the bank accounts were not always reconciled to the general ledger on a timely basis. During portions of the year, it appeared the Township's bank reconciliation's were prepared approximately two to three months after the month end. This can result in errors or irregularities not being identified on a timely basis. Although we noted no errors or irregularities in cash during the audit, we encourage the Township to work to improve the timeliness of the reconciliation process where possible.

When selecting new account numbers caution should be used to make sure the new numbers comply with the uniform chart of accounts.

Deposits, withdrawals and daily transactions need to be made in a timely manner.

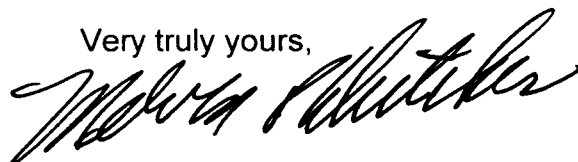
In review of the Police Fund, revenue of \$ 141,741 and expenses of \$127,840 there is now an accumulated Fund Balance of \$ 363,336. It appears the tax levy could be reduced.

The Gypsy Moth Fund also has revenue of \$ 34,205 and expenses of \$447 there is an accumulated fund balance of \$ 190,488. It appears the tax levy could also be reduced

OTHER

I wish to Thank the Officials of the Township of Caseville for their cooperation during the course of my examination

Very truly yours,

A handwritten signature in black ink, appearing to read 'Melvin P. Dutcher', written in a cursive style.

Melvin P. Dutcher